Message Text

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TAGS: EALR, EEWT, ETRD, CZ

SUBJECT: PRELIMINARY TRADE FIGURES FOR CZECHOSLOVAK TRADE WITH

U.S. DURING 1975

1. DURING CALL ON JOSEF KELLER, DEPUTY DIRECTOR OF DEPARTMENT (DEVELOPED CAPITALIST COUNTRIES), FEDERAL MINISTRY OF FOREIGN TRADE (MFT), EMBOFFS OBTAINED FOLLOWING PRELIMINARY CZECHOSLOVAK DATA ON TRADE WITH U.S. DURING 1975. ACCORDING TO KELLER, CZECHS IMPORTED 755 MILLION CROWNS WORTH OF GOODS FROM U.S., AND EXPORTED GOODS TO U.S. VALUED AT 180 MILLION CROWNS, FOR A CZECHOSLOVAK DEFICIT OF 575 MILLION CROWNS. KELLER'S DATA PORTRAYED AN OVERALL DECLINE IN BILATERAL TRADE OF AROUND 16 PERCENT WITH CZECHOSLOVAK EXPORTS BEING SQUEEZED HARDEST -- DOWN 44 PERCENT ON 1974 LEVEL OF 320 MILLION CORWNS-- AND IMPORTS FROM U.S. OFF BY FIVE PERCENT, IN COMAPRISION WITH 1974 (796 MILLION CROWNS). KELLER SAID ALL FIGURES WERE CALCULATED ON "FREE FROM BORDER OF DELIVERING STATE" BASIS, WHICH LIMITED OFFICIAL USE

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DIFFERS SLIGHTLY FROM FOB BASIS BY AMOUNT OF INTERNAL TRANSPORT

COSTS FROM POINT OF ORIGIN TO BORDER OF DELIVERING STATE.

- 2. KELLER COULD NOT PROVIDE BREAKDOWN OF IMPORT AND EXPORT FIGURES BY PRODUCT CATEGORY, BUT HE DID EXPRESS FAMILIAR REFRAIN THAT VOLUME AND COMPOSITION OF U.S./CZECHOSLOVAK TRADE DID NOT "MEASURE UP TO POSSIBILITIES," ESPECIALLY AS REGARDED SHIPMENTS OF ADVANCED TECHNOLOGY ITEMS FROM U.S. HE LAMENTED PROBLEMS CREATED FOR SUCH TRADE BY EXPORT CONTROL REGULATIONS, AND AGAIN EXPRESSED HOPE THAT SOMETHING WOULD BE DONE TO ALLEVIATE THIS PROBLEM IN COMING YEARS. KELLER WAS PHILOSOPHICAL ABOUT POSSIBILITIES FOR IRONING OUT DIFFERENCES WHICH NOW STOOD IN WAY OF NORMALIZATION OF TRADE AND COMMERCIAL RELATIONS BETWEEN OUR TWO COUNTRIES, AND DID NOT DISGUISE HIS SKEPTICISM WHEN EMBOFFS SPECULATED ABOUT POSSIBILITY OF SOME FUTURE CHANGE IN SITUATION WITH REGARD TO TRADE ACT OF 1974.
- 3. COMMENT: CZECHOSLOVAK TRADE STATISTICS SHOW DECIDEDLY MORE NEGATIVE TRADE BALANCE AND TREND WITH THE U.S. THAN DO OFFICIAL U.S. STATISTICS WHICH SHOW AN OVERALL DECLINE OF AROUND 6.5 PERCENT IN BILATERAL TRADE LAST YEAR WITH U.S. IMPORTS FROM CZECHOSLOVAK (\$35.1 MILLION) DOWN BY 23 PERCENT OF 1974 AND U.S. EXPORTS TO CSSR UP BY 8.9 PERCENT (\$52.9 MILLION). CZECHOSLOVAK OFFICIALS, UNDERSTANDABLY, WILL CERTAINLY EMPHASIZE THEIR OWN DATA IN MAKING POINT THAT PRESENT TRADING CONDITIONS BETWEEN OUR COUNTRIES WORK A GREATER HARDSHIP ON CZECHOSLOVAKIA THAN ON U.S. PERRY

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